SPECIAL MENTIONS

Growing Sickness in Banking Industry and Mismanagement in UCO Bank

SHRI GURUDAS DAS GUPTA (West Bengal): Madam, I had been writing to successive Governments, Ministers and Prime Ministers regarding growing sickness and rising mismanagement involving corrupt practices in the nationalised banks of the country. Nothing has been done as yet. The previous Government did not do it. It appears to me, as if the present Government also is in no mood to look into the problem involving the nationalised banks of the country. The Reserve Bank of India is also failing in its duties. The management of most of the nationalised banks are taking protection under the cover of secrecy provisions of the banking regulations. Of late I wrote to the Prime Minister and also to the Finance Minister regarding the alarmingly deteriorating condition of a particular bank and the bank is known as UCO Bank. As far as I know, this bank is nearly on the verge of a collapse. About 20 per cent of its deposits are estimated to be bad and the bank has already written off Rs. 500 crores as bad debt. As far as I understand, Madam, merely Rs. 80 lakhs are left in the reserve fund of this bank which shows by itself the serious liquidity position of the bank. In most cases, the books of accounts of the bank have not been reconciled. The auditors who have been appointed to go into the accounts have made a number of caustic remarks about keeping of the accounts of the bank. This bank has lost nearly Rs. 7 crores for doing shipping. When its advance to a shipping business company nearly turned bad. The Bank started doing shipping itself. Kindly imagine the financial institutions of the country doing shipping business! Ultimately, the ship is shown to have sunk. But the Bank never claims any damages from the insurance company. As a result, the Bank loses 7 crores of rupees.

This Bank is also reported to have lost 2 crores of rupees because it has advanced money to a particular political party for bringing out a journal.

Madam, a group of corrupt officials led by the Chairman of the Bank is ruining the Bank totally. After I made the complaint to the Government and had written to the Prime Minister and Finance Minister, they have only sent a letter saying that the matters are being looked into. But in the meantime, the disquieting news is that the representatives of the management of the Bank are roaming about the corridors of power in the capital. At present the Chairman is in the capital and I am told he is trying to seek political patronage from the people who are ruling the country. I am having my confidence that the Finance Minister and the Prime Minister will take stringent measures to see that the Bank is not closed down.

Madam, I demand that there must be an immediate probe into the whole matter. I want the Government not to dilute its value-based policies and give any quarter to corrupt officials. I want a probe, and pending the probe, including one by the agency called CBI, I want removal of the corrupt Bank officials. I take this opportunity to demand that Government spells out its policy regarding financial institutions, including the nationalised banks. . . One minute more, Madam.

I demand that the Government should bring about suitable legislation for the withdrawal of the secrecy clause. I demand that the Government should appoint an Audit Commission, on the lines of the CAG, to look into the working of the banking industry. At the same time, I demand that Government takes immediate steps so that UCO, a leading bank of the country, does not collapse. The Bank should be revived. Its health should be restored. At the same time, the corrupt officials should be punished without any further delay.

Since the Finance Minister is in the House, I will respectfully urge upon him to kindly respond to it.

SHRIMATI RENUKA CHOWDHURY (Andhra Pradesh): Madam, I associate myself with the sentiments expressed by my colleague.

SHRI ASHIS SEN (West Bengal): Madam, in association with this, I have got to say something. It is not a question of one bank. I have before me the names of other banks. The Indian Bank has also done it. The IOB and several other banks are involved in these practices. It is surprising that in the months of June-July, 1989, these banks went on granting loans to various parties. It is significant that in most of the banks it has happened like that in October-November just on the eve of the elections. Naturally, isolating any individual bank will not be the proper approach. May be, most of the banks are doing like that. If a thorough investigation is not undertaken in respect of all these banks, I think the confidence of the people in the nationalised banks will gradually get eroded. That is why I say that before that is shaken, it is necessary for the Government to intervene and see that these things do come to light and corrupt officials associated with them are removed and the corrupt practices done away with.

SHRI GURUDAS DAS GUPTA: Madam, why don't you ask the Finance Minister to kindly respond?

THE DEPUTY CHAIRMAN: He is listening. It is up to him to respond and when to respond.

SHRI GURUDAS DAS GUPTA: Shall I take his silence as conspicuous.

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): Madam, I do not want to make any allegations against any individuals.... Madam, can I catch your eyes?

THE DEPUTY CHAIRMAN: I am sorry.

SHRI SUBRAMANIAN SWAMY (Uttar Pradesh): You have to catch her ears, not eyes .

PROF. MADHU DANDAVATE: Ears and eyes are equally important.

THE DEPUTY CHAIRMAN: I am all ears and eyes.

PROF. MADHU DANDAVATE: Madam, if you do not object, why he is objecting?

THE DEPUTY CHAIRMAN: I do not know. His name is becoming... I do not want to say anything.

SHRI SUBRAMANIAN SWAMY: Don't say anything which you may have to take off the record.

THE DEPUTY CHAIRMAN: I will not do that. Whatever I say will be a part of there record.

SHRI GURUDAS DAS GUPTA: He should not catch your eyes. It is dangerous at this age.

PROF. MADHU DANDAVATE: Madam, honourable Members have made certain observations. I do not want to make any allegations against any individual connected with the Bank, but I can assure the honourable Members that I will look into the complaint that they have voiced on the floor of the House and I will do the needful.

THE DEPUTY CHAIRMAN: Thank you.

Need to take measures for protection of Wakf Properties

श्री मीर्जा इर्शादबेग (गुजरात) : मोहतरमा डिप्टी चेयरमैन साहिबा, मैं: आपका ममनून–व मश्कूर हूं कि आपने मुझे यह सपेशल मेंशन के मातहत इस मसले को यहां पर पेश करने की इजाजत दी । मोहतरमा, जहां तक अवकाफ़ प्रोपर्टीज कानून का ताल्लुक है वहां तक मेरी जानकारी है कि सैयद अहमद साहब की सदारत में 1970 में वक्फ इंक्वायरी कमेटी बनी थी । 1976 में उसने अपनी